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Controller Releases June Cash Update

SACRAMENTO - State Controller John Chiang today released his monthly cash report for the month of June, and announced that the state's General Fund -- the primary account from which California funds its day-to-day operations and programs -- ended the fiscal year with a positive cash balance for the first time since June 30, 2007. A positive cash balance means that the state had funds available to meet all of its payment obligations without needing to borrow from Wall Street or the \$23.8 billion available in its more than 700 internal special funds and accounts.

"While this is welcome news after seven years of record-high borrowing just to pay our everyday bills, we still have much work to do," Chiang said. "We should remain laser-focused on paying down the Wall of Debt, reversing the many accounting gimmicks to which we've become addicted and keeping the State as liquid as possible to avoid experiencing the payment delays and IOUs that plagued our State during the Great Recession.

"Another down cycle in the economy is inevitable -- we just don't know when or how prolonged it might be," he added. "We should be vigilant about preparing for that day while we celebrate the great progress we've made to date."

Because the State's cash position was over \$5 billion more than expected when the Governor released his May budget revision, the Department of Finance -- with the concurrence of the offices of the State Treasurer and State Controller -- did not produce formal cash flow projections for the May Revision. As a result, actual June and fiscal year receipts and disbursements are compared against projections provided in the Governor's January budget proposal.

According to the monthly report covering California's cash balance, receipts and disbursements in June 2014, the General Fund had \$1.9 billion in cash on June 30, marking the first time it has ended the fiscal year in the black since 2007, when it ended the year with \$2.5 billion in the bank.

For the 2013-14 fiscal year, revenues came in at \$101.6 billion, or \$2.1 billion (2.1 percent) more than projected in the Governor's budget released in January. Personal income taxes totaled \$66.2 billion, coming in \$1.7 billion above the January estimates (2.6 percent). Corporate taxes totaled \$8.5 billion, which was \$725 million more than expected (9.3 percent). Retail sales and use taxes came in at \$22.2 billion, or \$415 million under (1.8 percent) the estimates.

Revenues for the month of June totaled \$14.8 billion, beating estimates in the 2014-15 Governor's Budget by \$304 million (2.1 percent). Income tax collections for the month of June came in \$635 million (7.4 percent) above estimates. Corporate taxes topped

estimates by \$289 million (13.2 percent). Sales taxes came in short of estimates by \$265.8 million (11.6 percent).

For more details on today's report, read the [financial statement](#) and .

Read a version of this press release in .

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